

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 914 - HB 1012

March 9, 2015

SUMMARY OF BILL: Requires any pharmacy contracting with the Bureau of TennCare to post and maintain a printed notice regarding reporting TennCare fraud and abuse in a conspicuous place that is frequently seen by pharmacists and pharmacy technicians. The notice shall include: a general description of the duties and obligations to report any suspicion or knowledge of fraud or abuse; examples of cases that the Office of Inspector General Investigates; and any other information required through rules promulgated by the Bureau of TennCare. The Bureau of TennCare is required to notify all contracting pharmacies of the requirements of this section.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,900/One-Time

Increase Federal Expenditures - \$3,500/One-Time

Assumptions:

- There are 2,150 pharmacies in the pharmacy benefits manager's TennCare Pharmacy Network.
- It is estimated that the cost of designing and printing the posters will average approximately \$0.50 per poster and the shipping costs are estimated to be \$2.00 per poster. The total increase in one-time expenditures is estimated to be \$5,375 [2,150 x (\$0.50 + \$2.00)].
- These expenditures will receive a federal match of 65.035 percent resulting in state funds of 34.965 percent.
- The one-time increase in state expenditures is \$1,879 (\$5,375 x 0.34965).
- The one-time increase in federal expenditures is \$3,496 (\$5,375 x 0.65035).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

/kml